

collateral may be recovered from the proceeds of the sale of collateral.

G. Collateral sales to the Lender's officers, directors, employees or stockholders (10% or greater) or a close relative of either are not permitted.

H. The selection of firms owned by officers, directors, employees or stockholders (10% or greater) to provide care and preservation services, legal assistance, or other services associated with the liquidation should be avoided. If it cannot be avoided, the lender must be prepared to justify the benefit to SBA of using the particular firm.

IX. Payment of the SBA Guaranty

A. Payment of the SBA guaranty will be made after the lender has fully liquidated all collateral and pursued all obligors and after SBA has reviewed the documentation that supports the loan. Payment will consist of the SBA guaranteed percentage of the balance remaining after liquidation plus up to 120 days of interest based on the balance outstanding at the time of the earliest uncured default if liquidation proceeds were insufficient to cover a full 120 days of interest.

B. To receive payment, lender must submit a transcript of account, a summary of liquidation activities, a detail of liquidation expenses, and a copy of the Note and relevant loan documents to the SBA office servicing the loan. The servicing office will review the account and prepare the paperwork required to wire SBA's portion of the loss to the lender.

X. Lender Selection and Review

A. Lenders will be selected for participation in FASTRAK based on their desire to increase lending under \$100,000 to small businesses, especially minority and women owned businesses. An SBA district office shall make a nomination to the Central Office, which will make a decision. A lender will receive the FASTRAK designation for its entire system. This may involve executing multiple copies of the supplemental guaranty agreement depending on the legal structure of the lender.

B. The loan approval authority in the supplemental guaranty agreement for FASTRAK will last for two years. At the end of two years, the activity will be reviewed and may be renewed for either one or two years. The servicing and liquidation provisions will last for the life of any loan approved using FASTRAK.

C. SBA will monitor the progress of the FASTRAK loans approved by each other. We will use the performance of loans approved under FASTRAK to

determine if a lender may continue to participate in FASTRAK. Lenders that violate the terms of the supplemental guaranty agreement, this guidebook, or SBA regulations as determined by SBA shall be removed from the program.

D. SBA reserves the right to make a periodic on-site review of the loan files for FASTRAK loans. SBA may, from time to time, ask FASTRAK lenders to photocopy documents in a file selected by SBA and send the copy to SBA for review. This procedure is intended to limit the intrusion on the lender by SBA reviewers and to reduce the cost to SBA of program monitoring. Lender acknowledges that the SBA review does not give rise to any estoppel claim, right or defense if SBA should determine that it will not honor its guaranty on a loan approved using FASTRAK.

E. If a problem develops with part of a lender's operation in one location, the lender will be notified and given a reasonable time to correct the problem. If the problem is not corrected, the lender's entire organization will be removed from FASTRAK.

XI. Lender Reporting

Lenders will be required to report the status and outstanding balance of each loan approved under FASTRAK on SBA form 1175. This form is submitted on a quarterly basis to the SBA field office. SBA is in the process of developing an electronic data interchange (EDI) system for lender reporting. FASTRAK lenders will be expected to use EDI after it has been implemented for SBA reporting.

XII. Secondary Market

Loans approved using the FASTRAK procedure may not be sold in the secondary market.

XIII. Lender Mergers

A lender's status as a participant in the FASTRAK will be reviewed at the time of a merger and a decision will be made regarding whether the new entity will be a participant in FASTRAK.

XIV. IRS Tax Verification

Lenders must verify tax returns of the business prior to disbursement of a FASTRAK loan. Tax verification procedures are included in Appendix 6. SBA has a cooperative agreement with the IRS to provide information within ten days. The key to a quick reply from the IRS is to ask for a transcript of the tax return, not a copy of the return and to write the words "SBA Loan Application" at the top of the form. Please report any problems with the tax verification system to the FASTRAK Processing Center or your local SBA district office. Lenders are reminded

that the letters "SBA" must be placed at the top of each request to insure expedited processing and that sole proprietorship information is obtained from a different SBA location than partnership or corporate tax information.

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DEPARTMENT OF TRANSPORTATION

Aviation Proceedings; Agreements Filed During the Week Ended February 24, 1995

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C 412 and 414. Answers may be filed within 21 days of date of filing.

Docket Number: 50148.

Date filed: February 21, 1995.

Parties: Members of the International Air Transport Association.

Subject: COMP Telex Mail Vote 729.

Proposed Effective Date: April 1, 1995.

Docket Number: 50149.

Date filed: February 21, 1995.

Parties: Members of the International Air Transport Association.

Subject: TC23 Reso/P 0686 dated January 27, 1995, Europe-Southeast Asia Resos r-1 to r-23.

Proposed Effective Date: April 1, 1995.

Docket Number: 50150.

Date filed: February 21, 1995.

Parties: Members of the International Air Transport Association.

Subject: TC12 Telex Mail Vote 730, Germany-Canada Fares, r-1—076jj r-2—080rr.

Proposed Effective Date: April 1, 1995.

Myrna F. Adams,

Acting Chief, Documentary Services Division.

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Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ended February 24, 1995

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth